

Division of Welfare

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp	FY 2003 Request	FY 2003 Gov Rec
BY PROGRAM					
Self-Reliance Programs	104,532,500	116,140,000	123,613,900	112,326,700	107,461,400
TAFI/AABD Benefit Payments	0	0	0	22,417,500	15,154,800
Total:	104,532,500	116,140,000	123,613,900	134,744,200	122,616,200
BY FUND CATEGORY					
General	34,645,800	33,254,900	37,389,200	37,487,300	34,855,600
Dedicated	3,901,500	6,699,500	1,296,500	2,911,800	2,911,800
Federal	65,985,200	76,185,600	84,928,200	94,345,100	84,848,800
Total:	104,532,500	116,140,000	123,613,900	134,744,200	122,616,200
Percent Change:		11.1%	6.4%	9.0%	(0.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	28,593,500	28,322,100	32,206,700	32,825,900	28,794,000
Operating Expenditures	20,106,200	18,872,100	21,280,800	21,383,100	22,250,300
Capital Outlay	417,100	394,400	0	754,900	0
Trustee/Benefit	55,415,700	68,551,400	70,126,400	79,780,300	71,571,900
Total:	104,532,500	116,140,000	123,613,900	134,744,200	122,616,200
Full-Time Positions (FTP)	716.30	710.85	717.30	736.18	657.18

Division Description

The Division of Welfare administers Temporary Assistance for Families in Idaho (TAFI), which is the welfare reform version of the old AFDC and JOBS programs. This is a time-limited cash assistance and supportive services program with an emphasis on self-reliance and personal responsibility. Additional assistance provided by this program is the Idaho Child Care program, Aid to the Aged, Blind, and Disabled, Food Stamps, Refugee Assistance and Medicaid eligibility. Also included is the administration of the Community Service Block Grant, Low Income Energy Assistance, Low Income Weatherization Assistance, Emergency Food Assistance and Telephone Assistance programs. The Child Support program is responsible for establishing and enforcing child support orders and medical support orders, modifying child support orders to ensure that support awards remain comparable to changes in parental income, and collecting child support for TAFI cases, non-TAFI cases and foster care cases. These collections are used to reimburse the state and federal government for TAFI and foster care expenditures, or to pass on to the custodial parents on the non-TAFI cases.

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Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
FY 2002 Original Appropriation	37,389,200	123,613,900	37,389,200	123,613,900
Reappropriations	0	729,500	0	729,500
1. CSE Legal Services	102,000	300,000	102,000	300,000
Holdback/Neg. Supp	(1,068,600)	(1,793,200)	(1,068,600)	(1,793,200)
FY 2002 Total Appropriation	36,422,600	122,850,200	36,422,600	122,850,200
Expenditure Adjustments	(903,300)	411,800	(903,300)	411,800
FY 2002 Estimated Expenditures	35,519,300	123,262,000	35,519,300	123,262,000
Removal of One-Time Expenditures	(1,464,700)	(2,843,100)	(1,464,700)	(2,843,100)
Base Adjustments	0	0	0	0
Restore Holdback/Neg. Supp	1,068,600	1,793,200	1,068,600	1,793,200
Permanent Base Reduction	0	0	(392,500)	(962,100)
FY 2003 Base	35,123,200	122,212,100	34,730,700	121,250,000
Personnel Cost Rollups	59,300	129,300	59,300	129,300
Inflationary Adjustments	750,000	1,539,900	0	0
Replacement Items	267,500	561,500	0	0
Nonstandard Adjustments	95,700	212,600	0	0
Annualizations	68,000	200,000	68,000	200,000
Change in Employee Compensation	130,100	289,200	0	0
Fund Shifts	(2,400)	0	(2,400)	0
FY 2003 Program Maintenance	36,491,400	125,144,600	34,855,600	121,579,300
1. Increase TAFI Cash Grant	0	251,900	0	251,900
2. Exclude SSI for TAFI Eligibility	977,900	8,523,200	0	0
3. Child Care Eligibility Poverty Limit	0	785,000	0	785,000
4. Fraud Investigator Reclassification	11,300	24,600	0	0
5. Additional Capital Outlay	6,700	14,900	0	0
FY 2003 Total	37,487,300	134,744,200	34,855,600	122,616,200
Change from Original Appropriation	98,100	11,130,300	(2,533,600)	(997,700)
% Change from Original Appropriation	0.3%	9.0%	(6.8%)	(0.8%)
Change in FTP's		18.88		(60.12)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2002 Original Appropriation	717.30	37,389,200	1,296,500	84,928,200	123,613,900
Reappropriations					
Agency Request	0.00	0	729,500	0	729,500
Governor's Recommendation	0.00	0	729,500	0	729,500

1. CSE Legal Services

The Department of Health and Welfare budget for contracted Child Support Enforcement legal services has not been increased over the last several years. In October 1999, the contract attorneys were given a 20% cost of living increase in their contracts. This increase was done without a corresponding increase in the legal services budget. In SFY 2000, regions shared fiscal resources to ensure the increased legal costs remained within the statewide budget. In SFY 2001, increased costs, coupled with increased caseloads, forced regions to limit legal actions taken. In an attempt to remain within the statewide budget, paternity establishment and financial support was delayed or not established for some children.

It is projected, in SFY 2002, that legal costs could reach \$2.5 million. Cost containment actions will be utilized along with additional monitoring of attorney actions and costs in an attempt to reach budgetary compliance. The net effect is:

1. The backlog of cases needing legal actions will increase.
2. Customer service will suffer because of the delay in obtaining legal services.
3. Families will be hindered in their efforts to become self-reliant.
4. Non-compliance with federal requirements jeopardizes federal funding.

A portion of the federal funding comes through the child support incentives which are calculated using several factors and weighted in comparison to other states. A reduction in the paternity establishment due to funding unavailability could also reduce the amount of incentives earned, thus reducing the funding availability for the child support program overall, which would require further cutbacks.

Agency Request	0.00	102,000	0	198,000	300,000
Governor's Recommendation	0.00	102,000	0	198,000	300,000

Holdback/Neg. Supp

General Fund holdbacks, as directed by Executive Orders 2001-10 and 2001-17, are incorporated as a negative supplemental appropriation for fiscal year 2002.

Agency Request	0.00	(1,068,600)	0	(724,600)	(1,793,200)
Governor's Recommendation	0.00	(1,068,600)	0	(724,600)	(1,793,200)

FY 2002 Total Appropriation					
Agency Request	717.30	36,422,600	2,026,000	84,401,600	122,850,200
Governor's Recommendation	717.30	36,422,600	2,026,000	84,401,600	122,850,200

Expenditure Adjustments

Includes expense object transfers, transfers between programs, and other expenditure adjustments.

Agency Request	(16.12)	(903,300)	1,615,300	(300,200)	411,800
Governor's Recommendation	(16.12)	(903,300)	1,615,300	(300,200)	411,800

FY 2002 Estimated Expenditures					
Agency Request	701.18	35,519,300	3,641,300	84,101,400	123,262,000
Governor's Recommendation	701.18	35,519,300	3,641,300	84,101,400	123,262,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	(1,464,700)	(729,500)	(648,900)	(2,843,100)
Governor's Recommendation	0.00	(1,464,700)	(729,500)	(648,900)	(2,843,100)
Base Adjustments					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
Restore Holdback/Neg. Supp					
Restores the one-time holdback/negative supplemental.					
Agency Request	0.00	1,068,600	0	724,600	1,793,200
Governor's Recommendation	0.00	1,068,600	0	724,600	1,793,200
Permanent Base Reduction					
Agency Request	0.00	0	0	0	0
<i>Permanent reductions in agency base budgets are made to accommodate limited General Fund revenue for fiscal year 2003. Reductions will be accommodated through program consolidations, expenditure management, and other program changes that realign funding availability with program requirements.</i>					
Governor's Recommendation	(44.00)	(392,500)	0	(569,600)	(962,100)
FY 2003 Base					
Agency Request	701.18	35,123,200	2,911,800	84,177,100	122,212,100
Governor's Recommendation	657.18	34,730,700	2,911,800	83,607,500	121,250,000
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	59,300	0	70,000	129,300
Governor's Recommendation	0.00	59,300	0	70,000	129,300
Inflationary Adjustments					
Includes a general inflationary increase of 1.7% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	750,000	0	789,900	1,539,900
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Includes \$79,800 (\$35,900 General Fund) for miscellaneous computer and office equipment, \$211,800 (\$110,100 General Fund) for replacing fourteen vehicles, and \$269,900 (\$121,500 General Fund) for replacing 262 desktop computers.					
Agency Request	0.00	267,500	0	294,000	561,500
Governor's Recommendation	0.00	0	0	0	0
Nonstandard Adjustments					
Includes \$18,700 (\$8,400 General Fund) for increases in travel per diem, and \$7,300 (\$3,300 General Fund) for office building rent adjustments.					
Agency Request	0.00	95,700	0	116,900	212,600
Governor's Recommendation	0.00	0	0	0	0
Annualizations					
Annualizes the supplemental request for child support enforcement legal costs.					
Agency Request	0.00	68,000	0	132,000	200,000
Governor's Recommendation	0.00	68,000	0	132,000	200,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

Reflects the cost of a 1% salary increase for permanent and group positions.

Agency Request	0.00	130,100	0	159,100	289,200
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The Governor recommends state employee compensation increases to be made from salary savings.

Governor's Recommendation	0.00	0	0	0	0
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Fund Shifts

The Federal Medical Assistance Percentage has changed from 70.96% to 70.98% requiring a shift from the General Fund to federal funds.

Agency Request	0.00	(2,400)	0	2,400	0
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Governor's Recommendation	0.00	(2,400)	0	2,400	0
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FY 2003 Program Maintenance

Agency Request	701.18	36,491,400	2,911,800	85,741,400	125,144,600
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Governor's Recommendation	657.18	34,855,600	2,911,800	83,811,900	121,579,300
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1. Increase TAFI Cash Grant

The TANF Oversight Committee recommended that the Temporary Assistance for Families in Idaho (TAFI) grant increase each year by the percent of CEC granted state employees by the legislature. This increase was requested last year but that decision unit was not successful. Funding is requested to increase the cash grant from \$293 to \$309, which is a 5.5% increase.

The average number of families receiving TAFI benefits are 1,312 based on the TAFI History and Projection Report dated May 7, 2001. The forecast shows little change in the number of cases for Fiscal year 2002.

This caseload is only expected to slightly increase over the next three years.

Agency Request	0.00	0	0	251,900	251,900
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Governor's Recommendation	0.00	0	0	251,900	251,900
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Exclude SSI for TAFI Eligibility

The goals of TAFI are getting jobs for participants and support for both personal and family responsibility. Under federal regulation, this program requires relationships where participants, families, local communities and employers work together to help participants obtain employment and achieve self-reliance.

Excluding Supplemental Security Income (SSI) for the eligibility calculations for the Temporary Assistance for Families in Idaho (TAFI) grant is in alignment with the first three goals of the department: improve health status, strengthen individuals families and communities, and provide integrated health and human services for Idahoans. Currently most families in the State of Idaho with a household member receiving SSI do not qualify for TAFI because the typical \$530.00 monthly amount of SSI payment is greater than the \$293.00 monthly family TAFI grant. Potential new cases are low-income families with at least one member determined disabled by the Social Security Administration. SSI allows one parent of disabled children to work full time with a child and remain eligible for SSI benefits.

The cost impact for benefits will be approximately \$6.35 million dollars for approximately 1,800 new TAFI families. The above estimate is based on excluding the SSI recipient from eligibility determination and requiring an eligible child in the home. There are TANF funds available to fund the trustee and benefit portion of this decision unit in FY 2003. After that time, existing TANF base programs would need to be reduced to meet this funding need, or general funds would be required to continue this program enhancement.

Implementation is expected to put some families on long term TAFI extended cash assistance. The increased caseloads would likely not decrease after the initial implementation year. To effectively manage the increase in TAFI cases, additional staff is requested.

Agency Request	35.00	977,900	0	7,545,300	8,523,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

3. Child Care Eligibility Poverty Limit

The Department of Health & Welfare is dedicated to increasing public participation in agency decision-making. As part of this effort, the Director appointed an oversight committee to provide direction to the Department for the Idaho Child Care Program. On August 1, 2000, the Idaho Child Care Program Oversight Committee submitted its recommendations to Director Karl Kurtz.

As part of the recommendations related to the subsidy payments made under the program, the Oversight Committee recommended that the Department do two things with the sliding fee scale:

1. Revise it to reduce the impact of increases in income on the amount of the participant's co-pay.
2. Revise the sliding fee scale to reflect the current Federal poverty guidelines.

It is expected that working poor population will increase slightly over the next three years. There would be a minimal staff impact with this adjustment in the income limits based on the FY2001 federal poverty guidelines.

Estimated fiscal impact of increasing the income limit from the 1998 federal poverty guidelines to current federal poverty guidelines is \$785,000. The funding for this increase would be from federal Child Care Development and Temporary Assistance for Needy Families funds.

Agency Request	0.00	0	0	785,000	785,000
Governor's Recommendation	0.00	0	0	785,000	785,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Fraud Investigator Reclassification					
Funding is requested to reclassify regional fraud investigators.					
Agency Request	0.00	11,300	0	13,300	24,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Additional Capital Outlay					
Funding is requested to purchase seven lap top computers and four monitors.					
Agency Request	0.00	6,700	0	8,200	14,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2003 Total					
Agency Request	736.18	37,487,300	2,911,800	94,345,100	134,744,200
Governor's Recommendation	657.18	34,855,600	2,911,800	84,848,800	122,616,200
Agency Request					
Change from Original App	18.88	98,100	1,615,300	9,416,900	11,130,300
% Change from Original App	2.6%	0.3%	124.6%	11.1%	9.0%
<i>Governor's Recommendation</i>					
Change from Original App	(60.12)	(2,533,600)	1,615,300	(79,400)	(997,700)
% Change from Original App	(8.4%)	(6.8%)	124.6%	(0.1%)	(0.8%)